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Shawn B. Johnson
CLERK, DISTRICT COURT OCHILTREE COUNTY, TEXAS

NO. 11,945

**PERRYTON HOSPITALITY,
INC.** § **IN THE 84th DISTRICT COURT**
§
Plaintiff §
§
V. § **IN AND FOR**
§
AUER CORPORATION, §
Defendant § **OCHILTREE COUNTY, TEXAS**

PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT

TO THE HONORABLE COURT:

PERRYTON HOSPITALITY, INC. ("Perryton" or "Plaintiff") moves the Court for partial summary judgment against AUER CORPORATION ("Auer" or "Defendant") as follows:

1. Introduction - Relief Sought

1. This suit was filed by Plaintiff against Defendant for the incomplete construction of a hotel in Perryton, Texas (the "Hotel") that Defendant agreed to construct for Plaintiff. Plaintiff has paid Defendant all but \$74,173.00 of the agreed-upon Contract price, but the hotel is far from properly complete.

2. Despite being paid all but \$74,173.00 of the Contract price, Defendant filed and has not released an affidavit claiming a mechanic's lien on the property for almost \$400,000.00. Additionally, subcontractors and materialmen engaged by Defendant have recorded mechanic's liens on the Hotel totaling almost \$300,000.00, and Plaintiff has received other demands for payment from subcontractors and materialmen totaling over \$50,000.00.

3. Plaintiff seeks partial summary judgment that under no circumstances could Defendant show itself entitled to any more than \$74,173.00 under the Contract¹, that Defendant's

¹ Plaintiff has other offsets and claims against this amount not subject of this partial motion for summary judgment.

lien claim for almost \$400,000.00 is therefore invalid and unenforceable, and that under the Contract Defendant is liable to Plaintiff for any and all amounts Plaintiff pays to satisfy the claims of subcontractors and materialmen, in addition to costs and attorney's fees.

4. Plaintiff also seeks summary judgment for violations of Chapter 12 of the Texas Civil Practice and Remedies Code prohibiting the recording of fraudulent lien claims.

2. Summary of the Argument

5. Under the Contract between Plaintiff and Defendant, the Contract Sum² is \$2,850,000.00. In the absence of authorized adjustments, the Contract Sum is the only sum Plaintiff is required to pay to Defendant under the Contract.

6. The Contract requires any change orders resulting in a change to the Contract Sum to be in writing and agreed upon by Plaintiff before the commencement of any work subject of a change order. There are no such authorized change orders.

7. Therefore, \$2,850,000.00 is conclusively the total amount that could under any circumstances be due to Defendant from Plaintiff under the Contract. Plaintiff has paid no less than \$2,775,827.00 to Defendant under the Contract. As such, Defendant's lien claim (which is for more than the difference) is invalid, unenforceable, and fraudulent.

8. Additionally, the Contract requires Defendant to pay all of its subcontractors and materialmen upon receipt of each payment from Plaintiff under the Contract and requires Defendant to reimburse Plaintiff for any amounts expended to pay claims of subcontractors and materialmen which are not paid by Defendant, plus Plaintiff's costs and attorney's fees.

9. Defendant has failed to satisfy all claims of subcontractors from the funds paid to Defendant under the Contract and is therefore liable for all amounts paid or to be paid by Plaintiff to subcontractors to satisfy outstanding claims.

² Defined below.

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Claims 14 to 17, 20, 21, 23, 25, 28 and 29 have been rejected under 35 U.S.C. § 102(b) as anticipated by Somogyi et al for reasons of record and for additional reasons set forth at page 4 of the Office Action.

Applicants submit that Somogyi et al do not disclose or render obvious the presently claimed invention and, accordingly, request withdrawal of this rejection.

At page 4 of the Office Action, the Examiner acknowledges that applicants have stated that the Examiner is of the opinion that both an intravenous dose and oral dose of verapamil are administered simultaneously in Somogyi et al.

The Examiner specifically refers to page 52 to columns 1 and 2, the bridging paragraph, as disclosing that verapamil was administered by intravenous and oral route simultaneously using stable labeled techniques and that the intravenous (unlabeled) dose was given at a constant infusion of 10 mg verapamil dissolved in 10 ml physiologically saline over five minutes and the oral dose of 40 mg HCl consisted of d₃-verapamil given in solution form 30 minutes after the end of the intravenous infusion. The Examiner also points out that Somogyi et al disclose that the controlled subjects received the same intravenous doses, but 80 mg d₃-verapamil orally.

Applicants do not dispute that Somogyi et al disclose the simultaneous administration of verapamil by both intravenous and oral route. Applicants do not see how this point is relevant to the Examiner's rejection.

The point that applicants were making with respect to the disclosure of Somogyi et al is that Somogyi et al nowhere disclose the administering of a second drug that regulates the binding of the first drug to the plasma protein.

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The Examiner acknowledges that applicants have argued that Somogyi et al do not discuss binding to plasma proteins, and only mentions the binding to plasma protein in item 4 of the abstract and the discussion on page 55.

In response to this argument, the Examiner directs applicants' attention to page 52 of Somogyi et al and the section entitled "Plasma protein binding and erythrocyte distribution".

The Examiner is correct that Somogyi et al, at page 52, contain a section that discusses plasma protein binding, but as discussed below, Somogyi et al nowhere disclose or suggest the administering of a second drug that regulates the binding of the first drug to the plasma protein.

Applicants have reviewed the entire Somogyi et al article and set forth the following comments on the disclosures in Somogyi et al that discuss plasma protein binding.

The discussion at page 52 that the Examiner has referred to, which continues on to page 53, merely discusses how the protein binding of verapamil was determined, and does not set forth any of the results of the determination. Thus, the discussion at pages 52 and 53 does not indicate that a second drug regulated the plasma protein binding of the first drug.

Moreover, the procedure set forth at pages 52 and 53 would not be able to determine whether a second drug regulated the plasma protein binding of the first drug because the procedure does not measure the plasma protein binding with a first drug and compare it to the plasma protein binding obtained with a first and second drug. The procedure merely measures the plasma protein binding at different concentrations of a single drug.

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The places where Somogyi et al do disclose the results of that determination are as follows:

(i) In the abstract, in item 4, Somogyi et al state that "Plasma protein binding remained unchanged." As discussed in subsections (ii), (iii) and (iv) below, applicants submit that this indicates that the plasma protein binding was unchanged between healthy patients and liver cirrhotic patients.

(ii) At page 54, right hand column, last word, to page 55, left hand column, Somogyi et al contain the following discussion:

In the liver cirrhotic patients, the free fraction of verapamil in plasma was on average 8.0 (range 7.3 to 8.9)% and was independent of the total verapamil concentration ($P>0.05$). This free fraction was not different to those reported by us (range 7.8 to 11.3%) previously (Schomerus *et al.*, 1976).

This discussion indicates that the plasma protein binding was unchanged between healthy patients and liver cirrhotic patients, and does not contain any information concerning regulation of the plasma protein binding by use of a second drug. To the extent it contains any information concerning the regulation of plasma protein binding by use of a second drug, it shows that there was no regulation.

Thus, this section of Somogyi et al indicates that plasma protein binding was unchanged between healthy patients and liver cirrhotic patients, and does not contain any information concerning regulation of the plasma protein binding by use of a second drug.

(iii) Somogyi et al, at page 55, left hand column, first complete paragraph, contains the following statement:

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The increased volume of distribution and unaltered plasma protein binding of verapamil resulted in an approximately 25% decrease, from 0.73 to 0.5% in the free fraction bound to tissues (see **Methods**).

This discussion in Somogyi et al confirms that Somogyi et al teach that plasma protein binding was unchanged, that is, there was an “unaltered plasma protein binding”.

Again, this discussion means that the plasma protein binding was unchanged between healthy patients and liver cirrhotic patients.

(iv) Somogyi et al, at page 58, left hand column, under the heading “Discussion” state as follows:

Since protein binding remained unchanged an approximately 25% decrease in the free fraction bound to tissue is calculated which together with the 28% increase in total body water (Schober *et al.*, 1979) is proposed to explain the increased volume of distribution.

Again, applicants submit that this disclosure in Somogyi et al indicates that there was no change in the plasma protein binding between healthy patients and liver cirrhotic patients, and does not contain any information concerning regulation of the plasma protein binding by a second drug. (Applicants note that in the Amendment Under 37 C.F.R. § 1.111 filed on November 24, 2004, at page 12, as the result of a typographical error, they had indicated that the “Discussion” appeared at page 55 of Somogyi et al).

In view of the above, applicants submit that Somogyi et al do not defeat the patentability of the present claims and, accordingly, request withdrawal of this rejection.

Claims 14 and 16 to 29 have been rejected under 35 U.S.C. § 103(a) as obvious over Somogyi et al in view of Li et al.

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Applicants submit that these references do not disclose or render obvious the presently claimed invention and, accordingly, request withdrawal of this rejection.

Applicants have discussed Somogyi et al in detail above, and rely on that discussion.

Thus, as discussed above, Somogyi et al do not disclose or suggest the administering of a second drug that regulates the binding of the first drug to the plasma protein.

The Examiner, in a previous Office Action, had relied on the Li et al patent for a teaching of water-soluble polymer conjugate of “other therapeutic drugs” which include verapamil, and for a teaching of water-soluble pro-drugs. The Examiner stated that the complexes in Li et al may be radiolabeled with various metals or conjugated to various chelators, and that the complexes may be imaged using single photo emission computer topography or positron emission tomography. The Examiner stated that Li et al disclose that verapamil can be used in combination with another drug that may be radiolabeled.

The Examiner asserted that it would have been obvious to modify the invention of Somogyi et al et al by using the teachings of Li et al, and generate a kit comprising first and second drugs and attach various radiolabels and/or a chelators, because Li et al disclose a composition wherein verapamil may be added to generate a water soluble polymer conjugate.

Although the Examiner has stated that Li et al disclose that verapamil can be used in combination with another drug that may be radiolabeled, applicants have not found any such disclosure in Li et al. Li et al merely disclose that verapamil can be used to make a water soluble polymer conjugate, and that water soluble metal chelator conjugates of Li et al can contain a radionuclide in certain embodiments. Li et al disclose that the water soluble conjugates can be

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administered in conjunction with other drugs, but do not disclose that these other drugs may be radiolabeled.

Further, Li et al do not supply the deficiencies of Somogyi et al that have been discussed above. Thus, Li et al do not disclose or suggest the administering of a second drug that regulates the binding of the first drug to plasma protein.

Since there is no disclosure or suggestion in Samogyi et al or Li et al with regard to the regulation of the plasma protein binding of a first drug by administering a second drug, applicants submit that one of ordinary skill in the art could not arrive at the present invention from the combined teachings of Samogyi et al and Li et al.

In view of the above, applicants submit that the cited references do not defeat the patentability of the presently claimed invention and, accordingly, request withdrawal of this rejection.

The Examiner acknowledges that applicant is correct that the present application was not filed under 37 C.F.R. § 1.60. The Examiner asks applicants to insert the continuing data in the first line of the specification. In particular, the Examiner requests applicant to insert the phrase "This application is a 371 of PCT/JP00/04039 filed 6/21/00".

The Examiner, however, has not responded to applicants' position that the MPEP at §1893.03(c), page 1800-156 of Revision 1, February 2003, of the 8th Edition, specifically indicates that the National Stage Entry of PCT application does not have to contain as a first sentence a reference to the PCT application. Accordingly, applicants submit that they are not required to amend the specification in the manner suggested by the Examiner.

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In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,



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WASHINGTON OFFICE
23373
CUSTOMER NUMBER

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